



TOWN OF WESTFORD
OFFICE OF THE TOWN MANAGER

55 Main Street
Westford, MA
978-692-5501 Fax 978-399-2557

TO: Honorable Members of the Select Board, School Committee, and Finance Committee

FROM: Jodi Ross *Jodi Ross*

DATE: February 8, 2022

RE: Fiscal Year 2023 Budget Message

I am pleased to present a Fiscal Year 2023 operating and capital budget for your consideration. This [document](#) will be available on the town's website. During the preparation of our operating and capital budgets, we strived to adhere to the Select Board's FY23 [Budget Policy Direction](#), to sustain our town assets through capital investment and maintain the level of services we currently provide.

FY22 versus FY23 Projected Revenue – Impacts of COVID-19 Pandemic

This has been another challenging budget season, but there have been improvements in revenue projections, along with several federal sources of funding which have been available due to the pandemic. The below chart shows the FY22 budgeted revenue versus the FY23 projected revenue.

Revenue	FY22	FY23	Variance
Tax Revenue	\$88,115,910	\$90,750,487	2,634,577
Local Revenue	7,738,424	8,274,911	536,487
State Aid	20,270,627	20,414,991	144,364
Enterprise Revenue	8,132,449	7,948,057	(184,392)
Reserves Applied	0	0	0
Other Available Funds	3,449,248	2,620,705	(828,543)
Free Cash – Capital, Perchlorate, Snow & Ice	2,374,289	2,333,796	(40,493)
Total	\$130,080,947	\$132,342,947	\$2,262,000

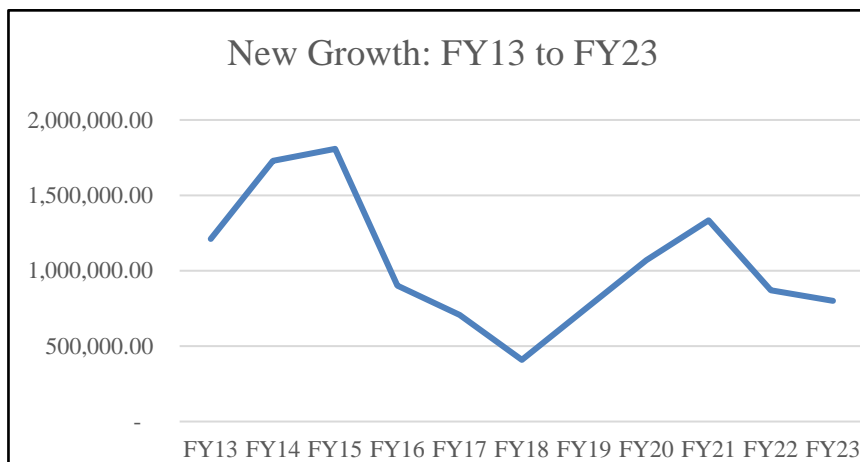
Local revenue fluctuates from year to year. Below is a table showing the FY21 actual revenue received, the budget for FY22, and our local revenue projections for FY23. We will continue to monitor local revenue during the year and make adjustments if appropriate. Both our residents and our local businesses have been impacted by the pandemic, which has also impacted our local revenues. We would like to note that the projection for Meals and Hotel Excise is increasing by 72.5% based on the revenue received in the first half of FY22, however it is still below pre-pandemic levels by \$267,000.

Local Revenue	FY21 Actual	FY22 Budget	FY23 Projected
Motor Vehicle Excise	3,676,793	3,676,792	3,768,712
Meals and Hotel Excise	602,981	588,463	1,015,000
Penalties and Interest	328,622	200,637	205,653
Payments in Lieu of Taxes	87,726	66,625	68,291
Fees	302,780	297,000	304,425
Rentals	1,000	0	0
Departmental Revenue – Cemeteries	43,500	30,000	30,750
Licenses and Permits	965,695	900,000	922,500
Special Assessments	6,202	4,724	4,842
Fines and Forfeits	61,221	40,000	41,000
Investment Income	71,538	70,000	71,750
Medicaid Reimbursement	130,756	74,692	74,692
Miscellaneous Recurring Revenue	1,827,371	1,789,491	1,767,296
Miscellaneous Non-Recurring Revenue	97,964	0	0
Total	8,204,149	7,738,424	8,274,911

FY23 Budget Highlights - Revenues Summary

In FY22 Westford received an overall 0.74% increase in State Aid, which resulted in additional revenues of \$148,598. State Assessments were reduced by \$12,820 in FY22, resulting in a total of increase in state funding of \$161,418. For FY23 we are using the Governor's budget that was released on January 26, 2022. The Governor's initial budget is \$144,364 higher than our FY22 state aid budget. For Chapter 70 school funding, we have seen a decline in the number of students over the past year. Our enrollment on October 1, 2020 was 4,714. That figure decreased by 46 students on October 1, 2021 to 4,668 students. For FY23, we are currently projecting 4,651 students. We are scheduled to receive a 2.7% or \$63,064 increase in Unrestricted Government Aid. Over the past 10 years, Westford has experienced fluctuating new growth. We estimated new growth for FY23 at \$800,000 due to several developments under construction. Below is a chart showing new growth from FY13 to FY23:

Fiscal Year	New Growth
FY23 (Budget)	\$800,000
FY22	\$870,884
FY21	1,234,704
FY20	1,069,837
FY19	740,243
FY18	408,857
FY17	707,422
FY16	901,454
FY15	1,808,449
FY14	1,728,677
FY13	1,210,815



In summary, our additional FY23 general fund revenue is \$3,315,428.

Allocation of Additional FY23 General Fund Revenue

As summarized above, our incremental increased revenues for FY23 represent new funds we may distribute to budgets as needed, after first satisfying obligatory expenses such as employee and retiree health insurance, Middlesex Retirement, debt service, general insurances, and the carry forward of existing employees. We also attempt to adhere to our Other Post Employment Benefits (OPEB) policy. Below is a chart identifying allocation of new revenues for FY23.

Allocation of New FY23 General Fund Revenue

New Revenue	FY23	Subtotal
Tax Revenue: Prop. 2 ½ Increase	\$2,128,368	
Tax Revenue: New Growth	800,000	
Tax Revenue: PY Excess Capacity	12,786	
Tax Revenue: Debt Exclusions	(306,577)	
Local Revenue	536,487	
State Aid	144,364	
Total New G/F Revenue		\$3,315,428

Allocation of New Revenue	FY23	Subtotal
Employee Benefits and General Insurance	756,441	
Net Debt Service	2,795	
NVTHS Assessment	107,252	
Other Amounts to be Raised	(34,144)	
Allowance for Abatements	(10,241)	
State Assessments	(225,207)	
Change in Premium Res'd for Debt Service	4,862	
Stormwater Revenue Projection	217,474	
Special Town Meeting Appropriation 10/16/21	165,230	
Subtotal		\$984,462
Funds Remaining for Departmental Expenses		\$2,330,966
WPS Budget		
Westford Public School Budget – 74%	1,724,825	
Net Town Operating Budgets – 26%	606,141	
Subtotal		\$2,330,966
Net Remaining		\$0

FY23 Budget Highlights – Expenditures Summary

The FY23 budget process began in August 2021. Department heads were sent instructions and worksheets to target a 2.0% increase for FY23, while attempting to maintain level services. They were also asked to submit budget projections for FYs 24 and 25.

Summary of FY23 Budget Recommendation

<i>Revenues</i>		<i>Expenditures</i>	
Tax Revenue	\$90,750,487	Westford Public Schools	\$63,961,692
Local Revenue	8,274,911	Other Town Departments	25,414,548
State Aid	20,414,991	Community Preservation	1,079,350
Enterprise Revenue	7,948,057	Debt Service	6,167,149
Reserves Applied	0	Enterprise	8,743,676
Other Available Funds	2,620,705	Unclassified	19,905,182
Free Cash Appropriation	2,333,796	N.V.T.H.S.	1,291,673
		Other Amounts to be Raised	5,779,677
Total	\$132,342,947	Total	\$132,342,947
		Budget Surplus	\$0

FY23 Budget Highlights

School/Town increases: Westford Public Schools are allocated an additional \$1,724,825, which represents a 2.77% increase. On January 31st Chris Chew, our School Superintendent, proposed options for reductions of \$225,898 to meet this budget allocation. We received the other town departments' budget requests initially at \$1,139,411 or 4.39% over the previous year's budget. We met with each town department head and reviewed every line item in every budget and made reductions and adjustments of approximately \$533,270 as necessary to present a balanced budget. These actions resulted in an overall town budget increase of \$606,141 or a 2.34% increase. This net amount includes adjustments for the ambulance, recreation, and stormwater enterprise subsidies.

- Collective Bargaining Agreements:** As we budget for FY23, we have one settled town union contract for IAFF (International Association of Fire Fighters) that expires on June 30, 2024. The other five town union contracts are expiring June 30, 2022. For the school department, the contracts for 10 of the district's 11 bargaining units expire on June 30, 2022. With the only settled contract being that of the district's Food Service staff, negotiations will be held with Unit A teachers, Unit B curriculum coordinators/student support leaders, Unit C school nurses, Unit E teacher assistants, Unit G math and reading interventionists, academic coaches, central office support staff, school administrative assistants, custodians/maintenance, and special education transportation staff.
- Unclassified Budget: Health Insurance:** After many years of investigating, we received approval from Town Meeting to become partially self-funded for our Health Insurance plan, effective March 1, 2022, and we transferred \$720,880 from our Health Insurance Stabilization Fund into the new Trust Fund. With the assistance of our health insurance broker, HUB, Inc. and Town Counsel, we created a Health Insurance Trust Fund Agreement, which was approved by the Select Board at their November 23, 2021 meeting, and at the same meeting, the board appointed Trustees to manage the Trust. The reasons for moving to a partially self-funded plan, include creating opportunities for our town to better control costs, and also become eligible for pharmacy rebates and other incentives. For FY23 we are budgeting \$11,596,244 which represents a \$125,714 or a 1.07% decrease over our FY22 health insurance budget. Of the \$11,596,244, \$1,368,894 is to be budgeted in the 945 Risk Management budget to fund Medicare, which is not moving to partially self-

funded at this time. The remaining \$10,227,350 has been moved to the 990 Transfer to Trust budget to fund non-Medicare health insurance for FY22. We carefully track health insurance on a monthly basis and update our projections accordingly. By moving to a partially self-funded health insurance plan, the town is saving approximately \$766,188 in the FY23 budget.

- **Unclassified Budget: Other Post Employment Benefits (OPEBs):** Our FY23 contribution to our OPEB Trust Fund, which funds retiree health and life insurance, is \$1,186,661, with \$267,000 to be contributed through Free Cash and the remaining balance through the operating budget. In FY22, we had funded our OPEB contribution at \$680,957 and tied the decrease to the estimated lost revenue from hotel and meals excise taxes to absorb the temporary loss in revenue, while maintaining services within town. Through the first two quarters of FY22, the meals excise tax is matching pre-pandemic levels, and the hotel excise tax is approximately 63% of pre-pandemic levels. We will continue to pay our existing retiree's OPEB obligation through our health insurance budget. In FY21 that cost was \$2,312,176. This figure will fluctuate in FY22 and 23 and beyond depending on rate increases and the number of retirees added to our plans. Our OPEB Trust Fund has a current balance of \$11,601,560, which will increase to \$12,788,221 with this appropriation. Westford's last actuarial study on June 30, 2021 reported that Westford had a \$75,648,116 net OPEB liability.
- **Unclassified Budget: Middlesex Retirement Assessment:** Our Middlesex Retirement Assessment, which covers town employees and non-educators in our schools, increased by \$312,806 or 5.26% to \$6,263,082. Middlesex Retirement gives member towns an option to pay their full assessment on July 1st of each fiscal year. We take advantage of this discount each year, which results in a town savings of \$111,299 or a 1.78% savings.
- **Additional Public Safety Staffing/Overtime/Equipment:** Our town has grown substantially over the past several years, and our public safety departments are responding to an increase in calls for service, many of a complex nature. After hearing a report from a Public Safety Staffing Working Group in FY18, the Select Board directed us to add five new police officers and eight new firefighter/paramedics to address the increases in calls. To date we have hired four additional police officers and five additional firefighter/paramedics. The police chief requested his final additional officer to be hired July 1, 2022, and we budgeted for the request. The police chief also requested four cruisers, but we were only able to fund three. The fire chief requested one additional firefighter/paramedic in his budget to be hired on July 1, 2022, which was budgeted for. Last year, our fire chief applied for a SAFER grant to fund four firefighter/paramedics, however the town was not granted the funding. They are resubmitting an application for the grant this spring. The fire department is currently backfilling each vacant shift during the COVID-19 pandemic. We have submitted applications to FEMA to reimburse our town for 100% of the cost. As of the date of this budget message, the FEMA funding will be available through April 2022. Our operations manager for our public safety communications department also requested an additional dispatcher, but that request was not included in this budget.

- **Other Adjustments to the FY23 Budget:**

- The Town Manager budget restored \$5,000 in staff management training.
- The Legal Services budget was reduced by \$20,000 to reflect current projections.
- The Human Resources Administrative Assistant hours were restored to full-time by the Select Board in December 2021, resulting in an increase of \$17,791.
- The Town Clerk's Election Workers line is increasing by \$21,860 to properly staff all of our elections and town meetings scheduled during FY22.
- The Public Buildings budget was restructured to include building maintenance, HVAC, plumbing, electrical, elevator, generator, fire/alarm, security, and pest managements services, with a total of \$86,500 being transferred from the Town Hall, Police, Fire/Ambulance Enterprise, Highway, and Historical budgets.
- The Health Department requested to increase the Public Health Nurse's hours by 7.5 per week, which we did not fund. The Select Board approved ARPA funding for the additional hours through June 30, 2022, and there are pending requests for ARPA funding in FY23 and FY24.
- The Recycling budget decreased by \$204,021 because the town started generating revenue from the processing fees beginning in July 2021. We will continue to monitor the market closely.
- These savings listed above are offset by the increase to Solid Waste budget of \$67,449, as disposal fees are increasing from \$90.00 to \$93.60 per ton effective July 1, 2022.
- The N.V.T.H.S. budget is projected to increase by \$107,252 as Westford is enrolling two additional students and our minimum contribution is increasing.
- The Recreation Enterprise is earmarked to fund \$75,000 from retained earnings after appropriating \$0 last year.
- The Ambulance Enterprise is earmarked to fund \$25,000 from retained earnings after appropriating \$0 last year.
- The state assessments for School Choice and Charter School Sending Tuition decreased by \$181,126. Overall, state assessments decreased by \$225,207.

- **Stormwater Enterprise:** In the FY23 budget, we have \$600,000 annual general fund subsidy. In FY22, the subsidy was reduced to \$392,188 in order to reimburse the general fund purchasing a street sweeper in May of 2020, just prior to the initial year of the Stormwater Enterprise.

- **Recreation Enterprise:** In FY21, the Recreation Enterprise did not operate the Westford Partnership for Children (WPC) after school program for most of the year. This has primarily been the main revenue source to support the Recreation Enterprise. In total, the Recreation Enterprise generated \$285,808 in revenue in FY21, as compared to \$1,298,692 in FY19. For FY22, the Department of Revenue (DOR) bases its estimated revenue on the amount collected in the previous fiscal year. Since the WPC program was not running for much of FY21, we did not have the data to support the revenue assumption. The other option was to create a revenue estimate based on enrollment and fees collected to date, which was successfully approved by the DOR. The town was able to justify a projection of \$823,392 in revenue, the Select Board approved ARPA funding in the amount of \$456,708, and the town subsidized the enterprise through the operating budget in the amount of

\$149,896 to fund the FY22 operating budget of \$1,429,996. WPC enrollment in FY22 is below pre-pandemic levels, so we will continue to carefully monitor revenues and expenses.

Federal Funding in response to the COVID-19 Pandemic:

- The CARES Act was originally awarded in May of 2020 in the amount of \$2,142,123. This grant reimbursed allowable expenses beginning on March 1, 2020. In January of 2021, the Biden Administration made most of the eligible costs under the CARES Act eligible for FEMA funding, including the purchase of personal protective equipment (PPE). The CARES Act funding ended on December 31, 2021.
- The town has also been applying for funding from FEMA. These expenses have been to staff the fire department at a minimum of 10 firefighter/paramedics per shift, to purchase PPE, COVID-19 testing kits for employees, vaccination clinics, and other costs related to public safety.
- The American Rescue Plan Act of 2021 (ARPA) will provide the town with \$7,417,971 in funding. The town received the first allocation of \$3,708,985 in the summer of 2021 and will receive the remaining balance in the summer of 2022. The Select Board authorizes ARPA expenditures, and as of January 26, 2022, they have allocated \$1,311,258 for sixteen projects. A complete list of the approved projects may be found on our [town's website](#).

The allowed uses for ARPA funding include:

- Support Public Health Expenditures
- Address the Negative Economic Impacts Caused by the Public Health Emergency
- Replace Lost Public Sector Revenue
- Invest in Water, Sewer, and Broadband Infrastructure

The Final Rule approved by the Federal Treasury in January 2021 allows communities to claim a standard deduction of \$10,000,000 to replace lost public sector revenue. This allows Westford to have flexibility with the ARPA funding with only a few exceptions, such as allocating to a “rainy day” fund, contributing to a pension liability, paying debt service, or paying for settlements or judgements. We strongly suggest ARPA funding be used for one-time expenditures, such as revenue replacement due to COVID, capital, or expenses in response to or incurred due to the pandemic. Based on the projects requested to date, the town’s operating budget in the future may not be able to absorb the cost of recurring expenses once the ARPA funds have been depleted. The town has until December 31, 2024 to allocate funding and has until December 31, 2026 to spend the funds.

- The Westford Public Schools have two remaining active or future COVID grants:
 - The district is receiving \$271,511 from the second round of the Elementary and Secondary School Emergency Relief (ESSER II) to help schools safely reopen, to measure and address learning loss, and to support student mental health. The funding does not expire until September 30, 2023, and the district’s use of the funds includes academic support, supplemental nursing, instructional software, additional out of district tuition monies and student services.
 - The district will also be receiving \$587,730 from the Elementary and Secondary School Emergency Relief (ESSER III) program, with a fund

expiration date of September 30, 2024. Currently the district is reviewing the application of these funds, along with additional available district funds, for the initial implementation of district Full Day Kindergarten.

Current Reserves

Currently we have reserves of \$9,900,871 which represents a reserve fund balance of 8.37% of our total general fund operating budget. After leaving 5% of the operating budget in reserves per our Budget Policy Direction, and accounting for projected appropriations at our Annual Town Meeting, our estimated reserves at year-end will be \$7,567,075, or 6.40% of the general fund budget.

Capital Investment: The Capital Planning Committee reviewed capital requests from all town departments and voted their initial recommendations to the Town Manager on January 21st, 2022. These recommendations include \$15,484,211 in capital to be funded by our town issuing general fund bonds in the amount of \$11,910,000, stormwater enterprise bonds for \$500,000, using \$1,621,796 in Free Cash, and utilizing enterprise and other available funds for the remaining \$1,003,415. Included in the above total is \$80,000 in time-sensitive capital requests that the Select Board appropriated ARPA money to fund on December 14, 2021. This is a preliminary funding plan that may be revised as department heads seek additional sources of funding (grants or Community Preservation Act funds) and submit revised quotes. As suggested by our bond rating agencies, we will continue funding capital projects with Free Cash as much as possible, and we may rely upon our Capital Stabilization Fund, with a current balance of \$1,049,435, if needed. The 35 Town Farm Rd. Task Force is seeking \$817,000 in funding to build a new fire training facility. The Select Board authorized the use of ARPA funding for \$237,000 of this amount on January 25, 2022, and the remaining \$580,000 will be requested at the Annual Town Meeting from Capital Stabilization. Once CHOICE, Inc. closes on the property at 35 Town Farm Rd to convert the building to affordable housing, it is our intention that the \$580,000 in proceeds from the sale be brought back to Town Meeting to reimburse the Capital Stabilization fund. This system has worked well for our town, as we also replenished the Capital Stabilization Fund this past October with proceeds from the sale of 63 Main Street, as we committed to doing at our 2018 Fall Special Town Meeting. We also plan on reimbursing the remaining \$80,000 from Cornerstone mitigation funds at the Annual Town Meeting.

The current FY23 non-excluded debt service budget is \$1,793,811 which exceeds the minimum borrowing policy by \$793,811. Of this amount, \$1,161,964 is permanently bonded and the remaining balance of \$631,847 is estimated debt payments for ongoing and future projects, which includes the roadway improvements approved in FY19, the Town and School Safety Task Force (TSSTF) article from the 2020 Annual Town Meeting to implement exterior access controls, the Carlisle Road sidewalk project, the new fire truck, and the short-term interest for the Oak Hill, Plain, and Moore Road infrastructure improvement bond. Other items scheduled to be bonded but not yet authorized include the Public Safety Fully Digital Radio upgrade, the Senior Center HVAC project, and the Plain Road Phase 1 sidewalk construction.

- **Public Works Projects:** Below is an update of current and future Public Works projects:
 - The town advanced the Beaver Brook Bridge Reconstruction Project to the final stages of permitting and design. Representative Arciero and Senator Kennedy have filed Home Rule Petition- House Bill 4076 to secure conservation land in order to

complete the project. \$75,000 was appropriated at the 2020 Special Town Meeting to acquire easements and fund non-participating costs. Construction will take place in 2023 and will include approximately \$2,000,000 in MassDOT Transportation Improvement Program funding.

- The town completed the 75% design stage for the Boston Road Reconstruction Project. Construction is anticipated to take place in 2024 and will include approximately \$10,200,000 in MassDOT construction funding.
 - Phase 1 of the Moore Road, Oak Hill Road, and Plain Road Water Main and Roadway Improvement project got underway in 2021, with Phase 2 slated to begin in April of 2022. \$8,160,000 was appropriated at the 2020 Special Town Meeting for this ambitious infrastructure project that includes a new water main, drainage improvements and pedestrian accommodations. The project is currently on schedule to be substantially completed in 2022.
 - \$440,000 was appropriated at the 2020 Special Town Meeting for the Carlisle Road Sidewalk Project. The project is currently in the final stages of design and construction is anticipated to begin in the Spring of 2022.
 - Conceptual plans for the Littleton Road Widening Project are currently being reviewed by MassDOT. The proposed widening would occur between the Westford Regency and Powers Road, including a Two Way Left Turn Lane, a sidewalk on the northern side of Littleton Road, and a shared use path for bicycles and pedestrians on the south side of Littleton Road.
 - Designers have begun work on culvert replacements at Blue Brook at Groton Road, and Pond Brook at Old Lowell Road. These culverts were recently identified for replacement as a part of the town wide culvert study completed in 2021. Funding for design and construction are scheduled to come from the Stormwater Enterprise.
 - The Town Farm Water Storage Tank Rehabilitation Project began in August 2021. The majority of the site work and the interior and exterior rehabilitation of the tank has been completed, including the replacement roof and altitude valve. The security fence is currently being installed. All punch list items will be addressed in the Spring 2022.
 - \$30,000 was appropriated at 2020 Special Town Meeting for design of the Westford Academy Wastewater Treatment Plant Tank Rehabilitation Project. \$170,000 was appropriated at the 2021 Annual Town Meeting to fund construction. The Water Department is currently working with our consultants to design and develop bid specifications and documents. The project will be bid in April 2022 with construction scheduled to begin in June 2022.
 - The Department of Public Works completed the paving of 6.02 miles of road in 2021 using various funding sources, including our annual Chapter 90 allotment, Water Enterprise funds, and Newport Materials settlement agreement. The Department plans to fund the entirety of FY23 Pavement Management Program through our annual Chapter 90 allotment and Newport Materials settlement agreement.
- **New Town Center Building:** At our 2017 Annual Town Meeting, we appropriated \$60,000 to conduct a feasibility study for a new town center building, and an additional \$320,000 was appropriated at our 2018 Annual Town Meeting for design of the building and other related expenses. The building is designed to include a 120-person meeting

room/police training room, and a new home for our technology, veterans services, facilities, community wellness coordinator, and sustainability coordinator. The cost estimate to demolish the existing old fire station, clean up the hazardous materials on the site, construct the new building, and move the technology infrastructure to the center of town is approximately \$9,200,000. The Select Board put this project on hold pending the sale of 63 Main Street, and a future discussion regarding town center, a possible Recreation Structure, the new Center Building, and the School Administration Building needs. The Select Board revisited the new building design and voted to support bringing it forward to our Annual Town Meeting in the spring of 2022. The design is being updated to reflect current needs, and we plan to begin the public education process again in January 2022.

- **63 Main Street:** At our 2018 Special Town Meeting, our town voted to purchase 63 Main Street for \$700,000; \$600,000 being for the purchase of the property and \$100,000 to conduct environmental testing and to make the building weathertight. The Select Board formed a task force to recommend future use of the property. At the October 2020 Special Town Meeting, the town voted to sell the property as a single-family home with a historic preservation restriction. Town Meeting and the Select Board supported retaining a portion of the parcel for future town center parking, if required. We issued a Request for Proposals for the disposition of the property and the Select Board voted to award the contract to the highest offer. We closed on the sale of the property on November 22, 2021.
- **35 Town Farm Road:** In 2016, Town Meeting voted to declare the building located at 35 Town Farm Road as surplus. The Select Board formed the 35 Town Farm Road Task Force in April 2019 with the charge of identifying the best future use for the property. The task force reported back to the Select Board in November 2019 and recommended that the town reissue another request for proposals seeking the redevelopment of the property into senior affordable housing and providing a new home for the Westford Food Pantry. The task force also recommended replacing the fire department's training facilities located on the site to another town parcel to make the redevelopment of the Town Farm parcel more viable. The Select Board supported the task force's recommendation. In January 2021, the Select Board awarded the solicitation process to the sole respondent, SCG Development and Chelmsford Housing Authority (CHOICE, Inc.) and entered into a purchase and sale agreement.
- **12 North Main Street:** In November 2021, the town received a grant from Mass Development's One Stop for Growth Program in the amount of \$240,000 to assist with the cleanup of hazardous materials identified in the ground on the exterior of the building. The interior of the structure is currently not safe for personnel access due to the continued deterioration of the building related to the roof collapse and exposure to the elements. The Select Board sought input from the Historical Commission to identify if they believed the building should be saved, as opposed to being demolished. The commission recommended reducing the building foot print by one third and preserving the remaining structure. The Select Board is considering funding options and preservation versus demolition of the building. The Town Manager's Office intends to apply for all available grant opportunities to lessen the financial impacts to the town.

Other Budget Variables to Consider

The following variables may impact on our FY23 budget and need to be monitored:

- COVID-19 Pandemic
- Federal funding
- State aid
- New growth
- Infrastructure/facilities
- Clean Energy & Sustainability Recommendations
- Energy performance contract / energy costs
- 12 North Main Street
- Public safety needs
- Collective bargaining
- Solid waste and recycling
- Partially self-funded health insurance
- Hotel and Meals Excise
- Snow and ice deficit

Summary

Our goal is to maintain a balanced budget, which is one of the main factors Standard & Poor's considered when they increased our bond rating in May 2014 from AA+ to AAA, which is the highest rating a town may receive. Having a higher rating translates to more favorable interest rates when we issue bonds.

As the budget process continues over the next several months, more information will be available regarding state aid and revenues, and final adjustments may be made. The town department heads and I welcome your input and suggestions as we continue through this budgeting process. We remain committed to examining each and every opportunity to be creative and conservative with our valuable town resources. It is our unwavering objective to continue to provide both the quantity and the quality of services as we have in the past for our residents.